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Annual Report 1963



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THE MONTREAL
CITY AND DISTRICT
SAVINGS BANK



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117th

Annual Report

*for the year
ended
December 31, 1963.*

**THE MONTREAL
CITY AND DISTRICT
SAVINGS BANK**

MINUTES

*Minutes of the
One Hundred and Seventeenth Annual General Meeting
of the Shareholders*

The One Hundred and Seventeenth Annual General Meeting of the Shareholders was held at the Head Office of the Bank on Monday, February 10, 1964, at noon.

Among those present were: Messrs. Claude Allaire, Alexandre Archambault, Oswald Ashton, Miss Thérèse Aubin, Messrs. Adrien Audet, Hector Ballard, Miss Mireille Beullac, Mr. Roger Aldéric Beullac, Q.C., Mrs. Térèse O. Beullac, Messrs. John Bloom, James C. Bonar, Bernard Boucher, Henri Bourgeault, Jacques Bourgeois, John G. Bourne, S. J. A. Brettingham, Miss Freida E. Briddon, Messrs. Roland Brien, Emile Brossard, Gilles Brunel, Mmes. Gertrude A. Brydon, Mildred May Bushell, Messrs. Paul Charbonneau, Desmond A. Clarke, John N. Cole, Lionel Collin, George Cretzianu, André M. Dambrine, Olivier Décaray, Roméo Delfausse, J. E. Louis Derome, Edouard Desjardins, M.D., Roland DeVarennes, Yves Desrochers, Peter L. Dixon, Thomas Ducharme, N.P., J. Hervé Dupuis, Vianney Favreau, Charles E. Fortier, Zénon Galarneau, Randol H. Gault, Hartland W. Gee, Rosario Genest, Q.C., Alexandre Gérin-Lajoie, Q.C., R. Gibbons, C. L. Ogden Glass, Hon. Léon-M. Gouin, Q.C., Messrs. E. Donald Gray-Donald, F. X. Guérard, Claude Guy, John David Hackett, Robert C. Hannan, John M. Hayes, N. B. Ivory, F. Cyril James, Marc Jarry, Maurice Jarry, Yvon Jasmin, Q.C., Austin Kennedy, Jean C. Lallemand, Paul Lambert, Gérard Lanctôt, Q.C., Jean-Paul Lavallée, Q.C., Roger

Lavoie, J. Arthur Leboeuf, Bernard Lechartier, Hugues Ledoux, Mrs. Jean Elizabeth Lemieux, Messrs. Maurice Lemieux, J. Rodolphe Lemire, Omer Lupien, Roméo Lussier, Bernard Maitre, Léon Martin, Sylvio Martin, George A. McVey, Arthur Ostiguy, Paul A. Ouimet, Boisdoré Panet-Raymond, Q.C., Réal Panet-Raymond, Léo Patenaude, Mrs. Elaine Quinn, Mr. Charles A. Racey, Mrs. Laura Racine, Messrs. Antonio Rainville, J. Clarke Reid, Mrs. Mary Louise Reynolds, Messrs. Edgar T. Reynolds, James Richards, René Saint-Cyr, Simon Sénécal, Miss Conroy Smyth, Messrs. Raymond Soucie, Ulric G. Tessier, Jacques Thibaudeau, L. Maurice Trudeau, Marcel Turmel, Mrs. Félicie Vaines, Messrs. Paul Vaillancourt, Anatole Vanier, Q.C., Guy Vanier, Q.C., Miss Marie-France Viau, Mrs. Jeanne Warren.

On motion by Mr. Jean C. Lallemant, seconded by Mr. Desmond A. Clarke, Mr. Guy Vanier, Q.C., took the Chair.

The Chairman appointed Mr. Austin Kennedy to act as secretary of the meeting and asked Messrs. John D. Hackett and J. Rodolphe Lemire, to act as scrutineers.

The notice calling the meeting, having been read by the Secretary and found satisfactory, the Chairman declared the meeting regularly called and held.

On motion by Mr. F. Cyril James, seconded by Mr. Marc Jarry, the minutes of the last annual meeting were taken as read, and unanimously confirmed.

The Annual Report of the Board of Directors was read by the President, Mr. Guy Vanier, Q.C., and the General Manager, Mr. Antonio Rainville, read the Balance Sheet and Report of Auditors.

THE MONTREAL CITY AND DISTRICT SAVINGS BANK

One Hundred and Seventeenth Annual Report

Montreal, February 10, 1964.

To the Shareholders:

The report which the Board of Directors has the honour of submitting to you shows that the Bank's operations have reached new peaks in the year 1963. In the course of this meeting the full Annual Statement and the Auditors' Report will be read to you. Here is a summary of the results as they appear in the Undivided Profits Account:

UNDIVIDED PROFITS ACCOUNT

	1963	1962
After making transfers to Contingency Reserves, out of which provision has been made for diminution in the value of investments and loans, the net profits were.....	\$1,251,209	\$1,128,923
From this amount, the following appropriations were made:		
Dividends and Bonus to our Shareholders.....	650,000	580,000
leaving as available net profits for the year the sum of.....	\$ 601,209	\$ 548,923
which, added to the amount brought forward from last year.....	251,048	202,125
formed at the credit of the Undivided Profits Account a total of.....	\$ 852,257	\$ 751,048
From this, we have transferred to the Rest Account.....	500,000	500,000
leaving at the credit of the Undivided Profits Account.....	\$ 352,257	\$ 251,048

It is not customary for the Board of Directors to add any particular comments, because the General Manager will soon present a detailed analysis of these figures and point out the highlights of the past year. However, may we mention that the volume of business, the number of clients, the excellent appearance of the

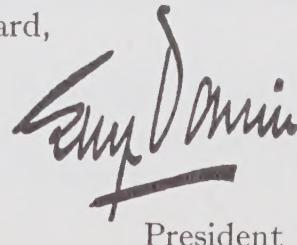
branches, the variety of services, as well as the net profits, reveal the vigour with which The Montreal City and District Savings Bank pursues its rapid expansion in all banking fields.

The happy conduct of the business certainly benefits from the spirit of cordial co-operation that prevails among the Directors. Consequently, it is with great regret that, from time to time, we have to part with a trusted colleague whose team work has always been so valuable and pleasant to us. Mr. T. Taggart Smyth has reached an advanced age, and due to the state of his health, he has expressed the desire not to be nominated for re-election to the Board. Mr. Smyth has, for a long time, fulfilled the functions of General Manager in a masterly way that has won the admiration of all shareholders, and he has served as a member of the Board for many years. The entire financial world is aware of the phases of his brilliant career. To show their appreciation to Mr. Smyth, the Directors have deemed it appropriate to award him the absolutely unique title of "Honorary Member of the Board of Directors" for life. This honour crowns more than half a century of active service with our Bank. We wish that, relieved from responsibilities which are becoming quite a heavy burden with the years, Mr. Smyth will enjoy long years of happiness and peace of mind. The Directors are of opinion that Mr. John G. Bourne, president of Atlas Construction Co. Ltd. would be an appropriate candidate to replace Mr. Smyth, and consequently his name will be put forward to the meeting in due course.

This report would not be complete if the Board of Directors did not again draw your attention to the competency and devotion of our staff. From our distinguished General Manager, Mr. Antonio Rainville, to the youngest recruits, including the executive officers, the branch managers and the department heads, City and District can count on a valiant team whose excellent work and zeal deserve our praise and gratefulness. We hope that all of them feel as much satisfaction in sharing our common effort as we have pleasure in relying on their intelligent co-operation.

All services as well as all branches are subjected to continuous inspection; in addition, the auditors examine with great care the operations and techniques submitted to their scrutiny. You will realize that the institution operates under conditions of order and safety; the reports submitted to you bear the usual approval of our auditors.

On behalf of the Board,



Antonio Rainville

President

ASSETS	1963	1962
Notes of and deposits with Bank of Canada and deposits with chartered banks in Canadian currency.....	\$ 27,207,759	\$ 26,155,758
Other cash, deposits with and balances due from other banks.....	17,271,591	11,914,987
Government of Canada direct and guaranteed securities, not exceeding amortized value...	26,693,725	30,782,524
Canadian provincial government direct and guaranteed securities, not exceeding amortized value.....	61,498,860	67,274,352
Canadian municipal and school corporation securities, not exceeding market value.....	22,584,565	25,709,176
Other Canadian securities and shares, not exceeding market value.....	20,927,974	18,122,691
Mortgages and hypothecs insured under the National Housing Act, 1954.....	9,349,591	9,711,869
Other first mortgages and hypothecs, less provision for estimated loss.....	102,071,700	79,275,310
Loans otherwise secured, less provision for estimated loss.....	8,079,622	12,985,893
Loans without security, less provision for estimated loss.....	12,271,982	11,361,356
Poor Fund investments.....	180,000	180,000
Bank premises at cost, less amounts written off	8,000,000	7,500,000
Other assets.....	339,046	126,335
	\$316,476,415	\$301,100,251

On behalf of the Board,

GUY VANIER,
President

STATEMENT

LIABILITIES	1963	1962
TO THE PUBLIC:		
Deposits by Government of Canada	\$ 5,820,280	\$ 10,875,889
Deposit liabilities to the public.....	297,443,134	277,676,723
Poor Fund.....	180,000	180,000
Other liabilities.....	1,180,744	1,116,591
	<u>\$304,624,158</u>	<u>\$289,849,203</u>
TO THE SHAREHOLDERS:		
Capital paid up.....	\$ 2,000,000	\$ 2,000,000
Rest Account.....	9,500,000	9,000,000
Undivided profits.....	352,257	251,048
	<u>\$316,476,415</u>	<u>\$301,100,251</u>

ANTONIO RAINVILLE,
General Manager

To the Shareholders of the Montreal City and District Savings Bank

We have examined the foregoing balance sheet as at December 31, 1963, as well as the books and accounts of the Montreal City and District Savings Bank at Head Office and the certified returns from the branches. We have verified the cash balances, the investment securities and the securities held against call loans.

We have obtained all the information and explanations we have required and we are of opinion that the transactions of the Bank that have come under our notice have been within its powers. The foregoing balance sheet, in our opinion, presents fairly the financial position of the Bank as at December 31, 1963, according to the best of our information and the explanations given to us, and is as shown by the books of the Bank.

Montreal, January 24, 1964.

Auditors { JEAN VALIQUETTE, C.A.,
of Anderson & Valiquette
WILLIAM A. SHANNON, C.A.,
of P. C. Shannon Son & Co.



ADDRESS OF THE PRESIDENT

MR. GUY VANIER, Q.C.

The gross national product will show an approximate increase of six per cent for the third consecutive year. Despite unemployment which has not been sufficiently reduced, and a great proportion of idle machinery, this situation shows an improvement of the conjuncture which will permit us to face the future with confidence. According to statistics one can foresee an average production of \$2,048 per capita which represents an increase of \$45 over last year's figures.

INVESTMENTS AND BALANCE OF ACCOUNTS

Throughout Canada investments were effected at a satisfactory rate. They are estimated at \$3,100,000,000 for the Province of Ontario alone where, according to long-standing tradition, we find the greatest industrial production. The Province of Quebec, which is advancing at a great pace in the field of industrialization, will have absorbed the record figure of \$2,300,000,000 in new capital, while British Columbia rates close to a billion and a quarter. The Atlantic Provinces have maintained their important rank in production; the petroleum and gas industry is progressing in Alberta, while the Prairie Provinces have produced an abundant crop. We have, therefore, cause to rejoice about the general activity which is manifested from coast to coast in Canada.

Among the happy events, it is well to note an increase in the production of consumer goods as well as a more substantial volume

of exports. An intense consumption of Canadian products and the present greater drifting abroad of our merchandise has already exerted a happy influence on the trade balance. The heavy sales of Canadian wheat to the countries of the East have attained a figure of such significance that, provision being made for the national market, the volume of exports liquidates a whole year's production. Our problem of international payments is somewhat alleviated, though the situation remains far from satisfactory in this domain.

Furthermore, one wonders if the movement of our wheat towards those countries which appear to be short of cereals, might not have the happy effect of reducing the political controversies. The nations of the earth need one another; it is logical that the necessities of common life should drive us from senseless quarrels to a tendency towards objectives of human solidarity. Economic requirements have already lessened tension in the Cold War, since armament expenditures in several countries will henceforth require a smaller share of taxes in view of the more pressing needs to be satisfied.

PUBLIC BUDGETS AND PERSONAL BUDGETS

The wise orientation of personal expenditures is itself governed by laws similar to those which preside over the good use of public funds. The management of household affairs requires a proper equilibrium of revenues and expenses, for the very reasons which press the public authorities to put their own house in order. Credit is a most ingenious instrument, but nevertheless as dangerous as it is useful. Many citizens who criticize the authorities with the greatest severity when income tax is due, are amongst those who never cease to aggravate their private problems by upsetting the family budget. One must never abuse of being in debt; but it is logical that the State borrowings are usually more justified than a personal overdraft, because these incumbrances are paid off by successive generations, whereas in the case of personal credit, it constitutes an acute burden on tomorrow's security.

Dedicated to a Savings Service for more than a century, our Bank has been striving to bring to light a few basic truths. I observe with a certain anxiety that the general tendency in public opinion has great influence in the opposite direction, but sound logic

nevertheless retains its rights. Pressed to admit his alleged errors on the movement of our planet, Galileo could not help but affirm "and yet it turns". Likewise, in spite of the force of the adverse current, labour and saving remain the instruments which will provide material wealth and peace of mind. On the domestic plane, more so than in the collective sector, unbalanced budgets give rise to disorder and a host of painful consequences. The State, at least, is capable of satisfying its supplementary needs from taxation at the source, whereas the hard-pressed individual has no other means of recuperation than the hardships of beginning at the bottom of the ladder, public charity or dishonesty itself.

THE MARKET PROBLEM

It is both an advantage and an inconvenience for Canada to grow alongside a dynamic country which offers a better climate, a considerable market and superior technical means. In the face of such competition, it is not easy for our country to expand at a similar pace, and, at the same time, retain its own traditions and its own independence. The variety of our natural resources is a powerful trump in our hands, but they exist in a raw state; instead of acting as a stimulant to work and as a challenge to enterprising spirit, they seem to tranquilize the indolent imagination of too many Canadians, by fallaciously suggesting that there is nothing to do but to pick the flowers of easy living and subsist at the expense of the State.

This mentality is already laden with perils when it develops before the eyes of a neighbour lavishly endowed with technical and financial means, but it is further aggravated by misunderstandings within our frontiers. A nation numerically feeble, runs indisputable risks in dividing its forces by painful incomprehensions. There is good reason to note that European nations already united on the ethnic plan, deem it necessary to take an attitude of co-operation, and that they sacrifice a part of their sovereignty to create amongst them a kind of Confederation of States which bears some resemblance to our own. If beyond the Atlantic, nations of great culture are of the opinion that a market of 30 to 50 million inhabitants constitutes an entity too weak to suitably assure their future, does it not seem adventurous to suggest the splintering of a common

market of 19 million inhabitants as the ultimate means to national greatness?

CO-OPERATION BETWEEN NATIONS

French, German, Belgian, Italian and Dutch have mutually killed millions of men, women and children on battle-fields which we ourselves visit with tears in our eyes and hearts heavy with cruel memories. In spite of tragic experiences, the peoples of Europe sat at a round table, examined their sorrows and hopes, and concluded that, more in their children's than in their own interest, it would be far wiser to open mutual frontiers rather than build new protective walls. Should not such a novel example induce Canadians of all languages to scrutinize their conscience and to fortify their own common market for which they have a more imperative need than Europe herself?

The religious world provides us with another example of remarkable scope. A dawn of ecumenism, full of promise, rises from baneful habits of cloistering. Christians today feel how desirable it is to trust each other. The Vatican Council, so opportunely conceived and directed, tears down one barrier after another and will eventually succeed in transforming the mentality of many peoples of the world.

In the pursuit of the most legitimate national aspirations, there is room in Canada for a new concept of respect and collaboration. Because of a competitive economy, it is also possible for our country to better organize tomorrow's prosperity. Amongst the theories which we can put into practice, one should not ignore a few traditional formulas which have been adequately proven through the past centuries and which ought to influence us with the same rigour today.

THE PRICE OF INDEPENDENCE

First of all, the will to work. The rapidity with which Canada has developed in the past decades, and the reputation that our country has created of being a land rich in natural resources, have perhaps caused as much harm as good. Many minds have not attained the desired sense of responsibility and leap imprudently

to the conclusion that we live in a country where one can afford the luxury of living in comfort without the intensity and quality of the effort which the Europeans have resorted to and which helped them to rise again from the ruins. The reduction in working hours as a result of mechanization, the important role social benefits play in the economic pattern and the means of diversion which modern inventions provide, have definitely improved the standard of living, but also tend to develop a weariness which leads to a certain collective decadence instead of the raising of individual energies.

Secondly, the will to save. A country like Canada, only partially developed, cannot convert all its resources into manufactured products. It must construct railroads, bridges and highways and multiply schools, churches, hospitals, orphanages, prisons. It is equally necessary to harness the rivers, create electric power, produce heavy machinery and tools to expediently exploit the forest and to draw from the depths of the earth the primary products which will feed our factories. Who will provide the necessary funds for these primary industries, if each citizen does not set aside from the fruit of his labour a small portion required for the normal development of the country? If we do not have a clear vision of this national duty, if to achieve this end we do not develop in our citizens a sufficient maturity of spirit, our blindness will fatally drag us down the slope of mediocrity and slavery, because others will tackle the problem before our eyes and settle it to their profit. Unfortunately, not only do many Canadians decline to take any part in this immense community effort, but by their lack of foresight they plunge themselves into personal difficulties by mortgaging the future of their families. The most recent statistics reveal that never before has consumer credit been used so intensively. Evidently, it is not credit we must condemn, but the extent, the motive, and the conditions of its use.

THE NEW AMENDMENTS

I do not wish to close these remarks without giving a few explanations to our shareholders on the meaning of the amendments which we have recently obtained from the Canadian Parliament. The Quebec Savings Banks Act has been modified so as to split our stock ten for one. The high cost which prevailed on the stock market

hindered a suitable distribution of our capital stock. Without modifying in any other way the financial position of the institution, the split now realized increases considerably the number of shares, but decreases proportionately the cost in such a way that many of our customers and friends may, from now on, purchase them without incurring too great an expense. It is foreseen that the number of our shareholders will increase as rapidly as it is desirable in the interest of our enterprise.

On the other hand, in the future we shall have the advantage of better employing our resources. Property ownership is the material foundation of the family. Real estate investment recommends itself to the particular attention of the saver because it offers suitable revenues, it resists devaluation of the dollar, and, by the use of depreciation, it offsets the heavy income tax charges. The mortgage loan, which is one of the specialties of our Bank, facilitates accession to property ownership, and it leads to an accumulation of capital by the gradual write-off of obligations. Besides, this form of credit offers the social advantage of aiding in the fight against unemployment by fostering the building industry which supports nearly all of the trades. Thanks to the supplementary resources which it will place at the disposal of the public, the Savings Bank becomes a factor of far reaching progress. Recent events will profit all of our shareholders and customers and will contribute, at the same time, to a more rapid expansion of Greater Montreal through the network of our branches.



ADDRESS OF THE GENERAL MANAGER

MR. ANTONIO RAINVILLE

The report that has just been presented shows that 1963 was a year of progress for our Bank. It also indicates that the investment policies pursued in the last few years, and which have proved so advantageous to our institution and its customers, were not materially modified. At one time, in the course of the year, we thought we might be forced to restrain, for a while, some of our activities in the mortgage field, but, fortunately, recent amendments to the Quebec Savings Banks Act have given us the clear signal until a more complete revision of the Act takes place.

ASSETS AT RECORD HIGH

At the end of the year, total assets had reached \$316,476,000 compared to \$301,100,000 the previous year, an increase of \$15,376,000 or 5.16%.

Cash on hand and deposits with other banks totalled \$44,479,000, an increase of \$6,409,000 or 16.83% over the last period. These represent 14.67% of our deposit liabilities.

The demand for mortgage loans has continued unabated. More will be said about this later. For the present, mention of this fact serves to explain why our new investments in securities, were rather limited during the year. Due to maturities, our investment portfolio has also decreased substantially.

The amount of Government of Canada securities held by the Bank decreased by more than \$4,089,000 during the year. Cana-

dian Provincial securities decreased by \$5,775,000 and Canadian Municipal and School bonds by about \$3,125,000. Other Canadian securities and shares, on the other hand, increased \$2,805,000.

At the end of the period, quick realizable assets held by the Bank represented slightly more than 58% of its deposit liabilities.

LARGE INCREASE IN MORTGAGE LOANS

The movements that have occurred in the various categories of loans were either a consequence of our continuous search for more profitable investment avenues or were due to our response to the requests from our ever increasing clientele.

Thus, loans against collateral securities decreased by \$4,906,000 or 37.78%, while unsecured loans, which include loans to religious corporations, loans to municipalities and personal loans, show an increase of \$910,000.

Contrariwise, a very large increase has taken place in our mortgage loans. At \$111,421,000, compared with \$88,987,000 last year, they are 25.21% higher.

Our investments in mortgage loans are now equivalent to slightly more than 37% of our deposit liabilities. If we add to this our commitments in this regard, the total would exceed 40%, the percentage that, you are no doubt aware, was previously the limit fixed by the Quebec Savings Banks Act.

This reveals how imperative it was, for the bank and its clients, to see this limit changed and our powers extended. We are deeply grateful to the Government and the representatives of all parties who realized the urgency of the situation and were instrumental in bringing about the changes necessary to solve our problem.

We appreciate the fact that serious consideration was given to the role played by our bank in this sector of the economy and also to the adverse effects if our participation in the field of mortgage financing had been severely restrained.

DEPOSITS AT NEW HIGH

Deposits by the Government of Canada decreased by \$5,055,000 during the year. Deposits by the public at \$297,443,000 are \$19,766,000 or 7.12% higher. Total deposits are at a record high in the history of our institution.

SUBSTANTIAL INCREASE IN PROFITS

Profits for the period also reached a record high. At \$1,251,000 they are \$122,000 or 10.80% above those of the previous year.

Net earnings are equivalent to \$6.25 on the old shares of \$10 par value as against \$5.64 the previous year.

During the year, three dividends of seventy cents each and one dividend of seventy-five cents, plus a year-end bonus of forty cents have been declared. This equals \$3.25 per old share compared to \$2.90 in 1962.

Dividends disbursed in 1963 total \$650,000 and represent about 52% of our net earnings during the period. After deducting dividends paid, remaining net profits stand at \$601,209. This amount, added to the previous balance of \$251,048, gives a total of \$852,257 from which an amount of \$500,000 was transferred to Rest Account, bringing the latter up to \$9,500,000 and leaving a balance of \$352,257 at Undivided Profits account.

REVISION OF THE QUEBEC SAVINGS BANKS ACT

The amendments recently made to the Quebec Savings Banks Act, important as they are, do not by any means cover the whole field of changes that, we believe, should be effected and many of which were detailed in our brief to the Royal Commission on Banking and Finance, presented nearly two years ago. Even though the revision of the Act was scheduled for the current year, it seems highly probable that it will be delayed until 1965. The Commission's report has been due to appear for quite a number of months and may not be ready until a few more have gone by.

We trust that the Quebec Savings Banks again will have the opportunity to make all the recommendations they think in order, and that these recommendations will receive sympathetic consideration. We also hope that there will be no discrimination in the restrictions imposed upon our institutions and that we shall no longer be compelled to operate at a disadvantage, when compared to the growing number of competing institutions which have invaded our field of action and are allowed to operate under far more favorable conditions.

THE BURDEN OF TAXATION

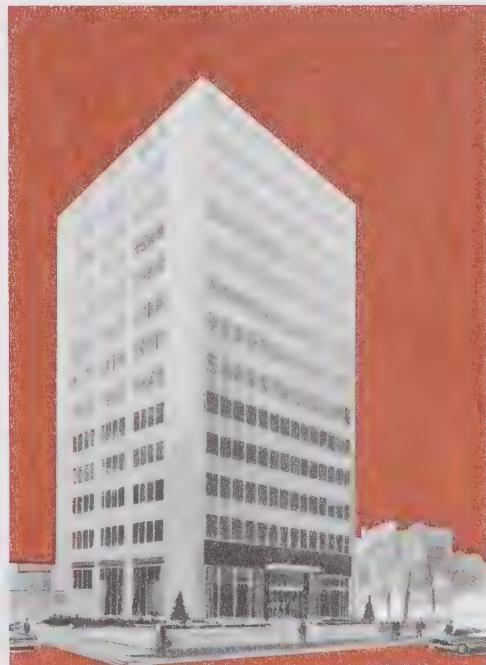
Consideration should also be given by the Governments to the

effects of too heavy taxes on the thrifty and on business enterprises, as well as to the inequalities in the field of taxation which are now more serious than ever before, favoring certain institutions to the detriment of others at least as deserving, institutions which contribute far more than their share to the support of the government itself.

The ever increasing burden of taxation falls more heavily on the people who save and who contribute, through their savings, to the development of the country's resources and industries. While, on the one hand, lip service is paid to the virtue of thrift, and professional meddlers in other people's businesses eloquently point out the duty for every one to participate in their numerous plans for a better future, on the other hand, those who take these appeals at their face value, are, in fact, severely penalized. The absurd situation which is caused by giving more encouragement to the groups and individuals who try to get the most out of the State's hand-outs without contributing a fair share in taxes, should be corrected.

BRANCH EXPANSION AND PROJECTS

Five new branches were put in operation during 1963. Last May, one was opened in St. Lambert, at the corner of Victoria Ave. and Desaulniers Boulevard and another in Montreal, on Sherbrooke St. East, at St. Hubert St. Soon after, a branch was started in Montreal North, on Amiens St. near Pie IX Boulevard. Last summer, we opened a branch on Côte St. Luc Road, at Westminster Ave., in a large apartment building which was acquired for that purpose. Finally, in November 1963, our 62nd office started its operations on St. Denis St. at the corner of St. Joseph Boulevard.



A modern new branch, corner of Sherbrooke and St. Hubert.



Our first branch in St. Lambert, corner of Victoria and Desaulniers Blvd.

All of these new branches are progressing satisfactorily and some of the most recent exceed our expectations by a substantial margin.

A modernization program, started a few years ago, is proceeding as planned. During the year, major alterations were made to our Pine Avenue and St. Lawrence branch and also to our Faillon and St. Denis branch. These important offices are now completely modernized, air-conditioned and fully mechanized. They offer a sharp contrast with the picture they presented before.

The Charles Le Moyne museum in Longueuil, adjacent to our branch of the same name, was visited by thousands of tourists and history-minded people during the year. The success of this endeavour is due, in no small measure, to many historical societies and to individual collectors who have given or loaned an impressive number of objects of historical value. Tribute is also due for the help received from the Quebec Historic Monuments Commission and especially its president, Mr. Paul Gouin, for the installation of the museum and their contribution in stimulating public interest.

Perhaps mention should be made, at this time, of the large number of complimentary remarks which are addressed to us about the appearance and condition of our branches. Official recognition of our efforts in this direction has been received in 1963 when the bank was awarded the City of Montreal Beautification Week



Section of Charles Le Moyne Museum adjacent to our Longueuil Branch.

Trophy, granted annually to the institution which has done the most for the renovation of its buildings.

Although our modernization program is not yet complete, what has been done so far and the impression which has been created in the public mind, seem to indicate that such achievements have not passed unnoticed. This, of course, constitutes an encouragement to continue along the same line.

Plans for the current year are many. Two new branches are presently being erected and complete renovation of our Sherbrooke and Oxford branch is proceeding. Other branches are also scheduled to open in the course of the year.

The cost of our expansion program is partly reflected in the Bank Premises Account which has been raised from \$7,500,000 to \$8,000,000.

Except for two of our branches, all others are located in buildings entirely owned by the Bank, are free of any encumbrance and are carried in our books at a value comfortably below their civic assessment.

The promotion of thrift and other services through advertising, new business campaigns and other media enables the bank to fulfill its role and live up to its motto which is to be, for all: "The bank that provides full financial service to the individual and the family."



AN IMPORTANT ASSET: THE BANK'S PERSONNEL

No corporation, however large and well established, can hope to grow and continue to enjoy the public's confidence unless it builds and maintains a reputation for integrity and good service. The quality of the personnel, its training, its loyalty and its enthusiasm, determine the extent of an institution's success in acquiring and conserving such precious assets.

It is therefore fitting that, on this occasion, tribute should be paid to the fine group of people who carry on the daily work of the bank. Without them, not even the most brilliant ideas would bring measurable results, the most beautiful buildings would seem deserted and soulless and business would come to a standstill.

Presently, the Bank's personnel numbers 938, an increase of 34 over last year. It is significant to note that personnel turnover in our Bank compares favorably with that in other financial institutions. Even so, a well planned training program is an essential tool if we want to promptly integrate newcomers in our organization and prepare them to assume larger responsibilities. In addition, an increasing number of our young men are following courses in administration, languages and various other matters pertinent to the banking profession.

In closing my remarks, may I also be allowed to thank the President and the Directors of the Bank for their help and encouragement during the course of the year in our joint efforts to bring about ever more satisfactory results.



Our 62nd branch, corner of St. Denis Street and St. Joseph Blvd.



New Branch opened in July, corner of Westminster Avenue and Cote St. Luc Road.



A new branch in Montreal North, Amiens Street near Pie IX Blvd.

OTHER PROCEEDINGS OF THE MEETING

The President asked the shareholders present if they desired any explanations, or had some remarks to make before the adoption of the Annual Statement and Reports.

Responding to a question by Mrs. Térèse O. Beullac on the Poor Fund, the President stated that the Montreal City and District Savings Bank was at first, and until 1871, a mutual institution; when it became a stock company, it was decided that all the net profits then accumulated would be set aside for charitable purposes and they were earmarked in our books as "The Poor Fund".

Mr. J. Clarke Reid made a few remarks pertaining to the new par value of the shares of the Bank and said that it might be the opportune time to consider their listing on account of their greater number.

It was then moved by Mr. Guy Vanier, Q.C., seconded by Hon. Léon-M. Gouin, Q.C., that the Annual Statement and Reports be adopted. The motion was carried unanimously.

On motion by Mr. John N. Cole, seconded by Mr. René Saint-Cyr, Messrs. Jean Valiquette, C.A., and William A. Shannon, C.A., were unanimously re-elected auditors for the ensuing year, and their remuneration was set at a total amount of \$17,000 to be divided between them according to the time devoted by each to the affairs of the Bank.

Mr. Raymond Soucie moved, seconded by Mr. Randol H. Gault, that the following gentlemen be nominated as Directors for the ensuing year and that the Secretary cast one ballot, that sole ballot to be considered as the unanimous vote of the Meeting.

Guy Vanier, Q.C.	Mostyn Lewis
Hon. Léon-M. Gouin, Q.C.	E. Donald Gray-Donald
Jean C. Lallemand	Marc Jarry
Desmond A. Clarke	C. L. Ogden Glass
F. Cyril James	John G. Bourne

The motion was carried unanimously, and the Secretary cast one ballot.

The scrutineers reported that the above-nominated gentlemen had received the unanimous vote of the shareholders present at the meeting, and the Chairman declared them elected as Directors of the Bank for the ensuing year.

Mr. Yvon Jasmin, Q.C., moved that "the thanks of the Meeting are hereby tendered to the President, Directors, General Manager and other Officers of the Bank for the splendid results obtained and for their careful attention to the interests of the Bank".

Speaking to the motion, Mr. Jasmin said:

"On behalf of the shareholders of the Bank I wish to congratulate the President and members of the Board of Directors for their excellent work during the past year and for the extraordinary achievements realized.

The splitting of the shares of the Bank gives them a greater stability and a more suitable distribution; you also have obtained the right to increase the volume of your mortgage loans. Every one admits it is advantageous to the Bank to reach the public through its loans.

The Bank continues its program of opening new branches, even outside the city proper, in Duvernay, St. Lambert, Chomedey and Longueuil, and hence, the institution is truly recognized as the Montreal City and District Savings Bank.

We are glad to state that our Board of Directors under your skilful guidance, constitutes a most active team, in which the public, shareholders and customers have much confidence. We wish to express our thanks to the President and Directors for their devotion to the affairs of the Bank".

This resolution was seconded by Miss Freida E. Briddon and carried with applause.

The meeting was then adjourned.

At a subsequent meeting of the Board of Directors, Mr. Guy Vanier, Q.C., was re-elected President and Hon. Léon-M. Gouin, Q.C., Vice-President, for the ensuing year.



Pine Avenue and St. Lawrence Blvd. Branch, enlarged and modernized.

Exterior view of our Faillon and St. Denis Branch, after renovation.



BOARD OF DIRECTORS

GUY VANIER, Q.C.
President

HON. LÉON-M. GOBIN, Q.C.
Vice-President

JEAN C. LALLEMAND

DESMOND A. CLARKE

F. CYRIL JAMES

MOSTYN LEWIS

E. DONALD GRAY-DONALD

MARC JARRY

C. L. OGDEN GLASS

JOHN G. BOURNE

OFFICERS

ANTONIO RAINVILLE
General Manager

ADRIEN AUDET
Assistant General Manager

AUSTIN KENNEDY
*Executive Secretary and Manager
New Business Department*

ARTHUR LEBOEUF
Chief Inspector

CHARLES-E. FORTIER
Comptroller

FRANÇOIS-XAVIER GUÉRARD
Chief Accountant



DEPARTMENTS

Mortgage Loans
Personal Loans
Foreign Exchange
Personnel
Premises
Advertising
Methods and Organization

BRANCHES

MONTREAL

Beaubien and St. Denis
Beaubien and Viau
Beaubien and 9th Avenue
Bélanger and Christophe Colomb
Bélanger and Pie IX
Chabanel and Tolhurst
Condé, Centre and Grand Trunk
Côte des Neiges and Linton
Décarie near Queen Mary
De Lorimier and Beaubien
De La Salle and Adam
Fleury and Parthenais
Fleury and Pélquin
Hochelaga and Baldwin
Jean-Talon and de l'Epée
Jean-Talon and Iberville
Lajeunesse and Legendre
Masson and 7th Avenue
Monk and Parc Garneau
Monkland and Girouard
Mount Royal and Christophe Colomb
Mount Royal and de Lorimier
Notre Dame and Versailles
Ontario and Maisonneuve
Ontario and Nicolet
Papineau and Villeray
Park and Laurier
Park near Bernard
St. Catherine and Darling

SUPERVISORS

Fernand Roy
Roland De Varennes
Léo Ethier
Gilles Charpentier
Gilles Brunel
Jacques Bourgeois
Roger Lavoie

MANAGERS

Gilbert Barrette
Marcel Provost
Robert Brossard
Edouard Boudreau
René Hébert
Léo Taurozzi
Jean Campbell
Gabriel Dion
Adolphe Vinet
François-Xavier Caron
René Hardy
Adrien Boismenu
Maurice Paul
Ernest Bougie
François-Xavier Lanctôt
Armand Lortie
Victor Paquette
Jean Thériault
Lucien Desmarais
Paul Turgeon
René Bouthillier
Rodolphe Collard
Samuel Dion
Pierre Leblanc
Edouard Gervais
Adrien Cusson
Eugène Emond
Paul Provost
Henri Vermette

St. Catherine and Drummond	Patrick Farmer
St. Catherine and Dufresne	Georges Chaussé
St. Catherine and Mackay	Albert Archambault
St. Catherine and McGill College	Médéric Lalonde
St. Catherine and St. Timothée	René Dalpé
St. Denis and Faillon	Lucien Prud'homme
St. Denis and Jarry	Edouard McDonald
St. Denis and Rachel	Roméo Lussier
St. Denis and St. Joseph Blvd.	Arthur St-Louis
St. James near St. Henry Square	Georges Lamothe
St. James and St. John	J. Donat René
St. James and Vinet	Léopold Tassé
St. Lawrence near Mount Royal	Georges Blouin
St. Lawrence and Pine	Henri Marin
St. Lawrence and St. Zotique	Roger Pontbriand
Sherbrooke and Langelier	Albert Gauthier
Sherbrooke and Madison	Ernest Levesque
Sherbrooke and Oxford	Paul Valois
Sherbrooke and St. Hubert	Armand Roy
Somerled and Walkley	Lucien Laporte
Van Horne and Victoria	Roland Cusson

CHOMEDEY

St. Martin Shopping Center

Jean-Paul Trépanier

COTE ST. LUC

Westminster and Cote St. Luc

Emile Bourbonnais

DORVAL

Dorval Avenue (facing Shopping Center)

Morgan McCarthy

DUVERNAY

Montrose St. (facing Shopping Center)

Paul Richer

LONGUEUIL

St. Charles and Chambly Road

Jean Mercure

MONTREAL NORTH

Amiens and Pie IX

Georges Cournoyer

ST. LAMBERT

Victoria Avenue and Desaulniers

Oswald Ashton

ST. LAURENT

Décarie and Morin

Bernard Faubert

ST. MICHEL

St. Michel Blvd. and Jean-Talon

René Roger

VERDUN

Verdun and Woodland
Wellington and Galt

Fernand Perrault
René McCann

WESTMOUNT

Sherbrooke and Victoria

Marcel Houlné

FOREIGN AGENTS

NEW YORK, UNITED STATES

Bank of Montreal
First National City Bank
Bankers Trust Company
Morgan Guaranty Trust Company of New York

LONDON, ENGLAND

Bank of Montreal

PARIS, FRANCE

Crédit Lyonnais
The Royal Bank of Canada (France)

NAPLES, ITALY

Credito Italiano

ROME, ITALY

Banca Nazionale del Lavoro

ATHENS, GREECE

National Bank of Greece

LISBON, PORTUGAL

Banco Portugues Do Atlantico

MADRID, SPAIN

Banco Hispano Americano

TEL AVIV, ISRAEL

Bank Leumi Le Israel, B.M.

